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July 22, 2004

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Cotton Valley Formation, Reservoir A, NORTH
CARLTON FIELD, Ouachita Parish, Louisiana.

Dear Sir:

NADEL & GUSSMAN-JETTA OPERATING COMPANY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, in the North Carlton Field, Ouachita Parish, Louisiana:

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A.
2. To create one (1) drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such unit being designated CV RA SUA and being shown on the attached plat.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each separate tract sharing in unit production on a surface acreage basis of participation.
4. To designate an Operator of, and unit well for, the proposed unit as may be appropriate.
5. To provide that future wells drilled to the Cotton Valley Formation, Reservoir A, within or outside of the proposed unit, be located no closer than 1,000 feet to any unit line and no closer than 2,000 feet to any well completed in, drilling to, or for which a permit shall have been granted to drill to the Cotton Valley Formation, Reservoir A.
6. To define the Cotton Valley Formation, Reservoir A, as the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 8,950 feet and 9,500 feet, electric log measurements, in the Chevron USA, Inc.--Effie T. Barnes et al. No. 1 Well, located in Section 4, Township 18 North, Range 1 East, Ouachita Parish, Louisiana, **less and except** the Cotton Valley "D" Sand in the North Carlton Field as defined in Office of Conservation Order No. 746, effective August 11, 1966.

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7. To consider such other matters as may be pertinent to the Cotton Valley Formation, Reservoir A.

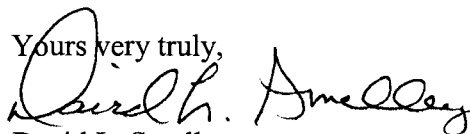
Pertinent data concerning this application is available for inspection at the offices of Applicant, 777 Taylor Street, Suite P 1-D, Fort Worth, Texas 76102. Any person wishing to inspect such data should call Mr. Joe Glazner at (817) 335-1179 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated July 6, 2004, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set July 28, 2004, as the tentative date for the pre-application conference. While a conference request was received, the request was later withdrawn; accordingly, no pre-application conference was held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the unit plat (which is identical to the unit plat attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of the attached plat is being sent to the District Manager of the Monroe District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plat, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of North Carlton Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,


David L. Smelley
-- Attorney for Nadel & Gussman-Jetta Operating Company, Inc.

DLS:dp
Enclosures

cc: Mr. Clarence L. Chandler (w/encls.)
Mr. Joe Glazner (w/encls.)
Mr. Bill Monroe (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)

U N I O N P A R I S H , L O U I S I A N A

33 34

T 19 N - R 1 E

34 35

4

T 18 N - R 1 E

2

O U A C H I T A P A R I S H , L O U I S I A N A

P.H. Frost

J.W. Spillers

A.N. Jordan

Hermon Tedeton

Effie Barnes

J.L. Avant Est.

E.L. Crawford

SECTION 3
CV RA SU A
+/- 640 ACRES

NADEL & GUSSMAN - JETTA OPERATING CO.
CV RA SUA; AVANT NO. 1

T.D. Avant

1760'

1446'

CHEVRON OIL
Avant B O 1
TD = 9375'

PETRO-CHEM OPER
Avant, R. 2
TD = 9205'

Vilton Howard

Scale: 1" = 1000'

4

9

10

1000 0 1000 2000 3000

10

11

GRAPHIC SCALE - FEET

LEGEND



PROPOSED UNIT WELL



PROPOSED UNIT

NADEL & GUSSMAN
JETTA OPERATING CO.

NORTH CARLTON FIELD
OUACHITA PARISH, LOUISIANA

PROPOSED UNIT PLAT
COTTON VALLEY FORMATION - RESERVOIR A

SCALE:

DR BY: KNG-MJR

JOB NO.: 23202

DATE: 06/30/04

FW: DWS

FILE NO.: 18NQ-018